



EDER, CASELLA & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
5400 WEST ELM STREET, SUITE 203
McHENRY, ILLINOIS 60050

Telephone (815) 344-1300
Fax (815) 344-1320
cpas@edercasella.com

Agenda Item #

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**GRAYSLAKE FIRE PROTECTION DISTRICT
LAKE COUNTY, ILLINOIS**

GENERAL PURPOSE FINANCIAL REPORT

APRIL 30, 2007

GRAYSLAKE FIRE PROTECTION DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Grayslake Fire Protection District
Grayslake, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of

GRAYSLAKE FIRE PROTECTION DISTRICT

as of and for the year ended April 30, 2007, which collectively comprise the Fire Protection District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Grayslake Fire Protection District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note 1, Grayslake Fire Protection District prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position – modified cash basis of the governmental activities, each major fund, and the aggregate remaining fund information of Grayslake Fire Protection District as of April 30, 2007, and the respective changes in financial position – modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note 1.

The Management's Discussion and Analysis and budgetary comparison information on pages 3 through 7 and 31 through 37 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grayslake Fire Protection District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Eder, Casella & Co.

EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
May 24, 2007

REQUIRED SUPPLEMENTARY INFORMATION

GRAYSLAKE FIRE PROTECTION DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Grayslake Fire Protection District (Fire Protection District), we offer readers of the Fire Protection District's statements this narrative overview and analysis of the financial activities of the Fire Protection District for the fiscal year ended April 30, 2007.

FINANCIAL HIGHLIGHTS

- The assets of the Fire Protection District exceeded its liabilities at the close of the most recent fiscal year by \$1,645,712 (net assets). Of this amount, \$(6,944) (unrestricted net assets) may be used to meet the Fire Protection District's ongoing obligations to citizens and creditors.
- The Fire Protection District's total net assets decreased by \$13,182.
- At April 30, 2007, the Fire Protection District's governmental funds reported combined ending fund balances of \$395,818, an increase of \$54,429 in comparison with the prior year.
- At April 30, 2007, the unreserved fund balance for the General Corporate Fund was \$119,735, or 6 percent of total General Corporate Fund expenditures.
- The Fire Protection District's total debt decreased by \$89,396 (15 percent) for the year ended April 30, 2007. The key factor in this decrease was principal payments made on the debt during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Fire Protection District's basic financial statements. The Fire Protection District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Fire Protection District's finances, in a manner similar to a private-sector business.

The Statement of Net Assets – Modified Cash Basis presents information on all of the Fire Protection District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Fire Protection District is improving or deteriorating.

The Statement of Activities – Modified Cash Basis presents information showing how the Fire Protection District's net assets changed during the most recent fiscal year. All changes in net assets are reported on the cash basis as soon as cash is received or disbursed, regardless of when the underlying event giving rise to the change occurs.

Both of the government-wide financial statements distinguish functions of the Fire Protection District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Fire Protection District include general government and public safety. The Fire Protection District does not conduct any business-type activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fire Protection District, like other state and local governments, uses fund accounting to ensure and demonstrate

compliance with finance-related legal requirements. All of the funds of the Fire Protection District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Fire Protection District's near-term financing decisions. Both the governmental fund Balance Sheet – Modified Cash Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Fire Protection District maintains five individual governmental funds. Information is presented in the governmental fund Balance Sheet – Modified Cash Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis for the General Corporate Fund and Ambulance Service Fund, which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided elsewhere in this report.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Fire Protection District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Fire Protection District's own programs. The accounting used for fiduciary funds is in accordance with accounting principles generally accepted in the United States of America.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

Notes to the financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 16 through 30 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Fire Protection District's progress in meeting its obligation to provide as fully adequate as possible services to its citizens.

The Fire Protection District adopts an annual appropriated budget for its General Corporate Fund and Ambulance Service Fund. A budgetary comparison statement has been provided for both of these funds to demonstrate compliance with this budget.

Required supplementary information can be found on pages 31 through 37 of this report. Additional supplemental financial information can be found on pages 38 through 40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Fire Protection District, assets exceeded liabilities by \$1,645,712 at April 30, 2007.

By far the largest portion of the Fire Protection District's net assets (92 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, apparatus equipment, and other equipment); less any related debt used to acquire those assets that are still outstanding. The Fire Protection District

uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Fire Protection District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Grayslake Fire Protection District's Net Assets - Modified Cash Basis

	Governmental Activities		Total	
	4/30/2007	4/30/2006	4/30/2007	4/30/2006
Current and Other Assets	\$ 395,818	\$ 361,630	\$ 395,818	\$ 361,630
Capital Assets	1,768,308	1,884,941	1,768,308	1,884,941
Total Assets	<u>\$ 2,164,126</u>	<u>\$ 2,246,571</u>	<u>\$ 2,164,126</u>	<u>\$ 2,246,571</u>
Long-Term Liabilities Outstanding	\$ 518,414	\$ 587,677	\$ 518,414	\$ 587,677
Total Liabilities	<u>\$ 518,414</u>	<u>\$ 587,677</u>	<u>\$ 518,414</u>	<u>\$ 587,677</u>
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 1,521,353	\$ 1,533,158	\$ 1,521,353	\$ 1,533,158
Restricted	131,303	72,305	131,303	72,305
Unrestricted	(6,944)	53,431	(6,944)	53,431
Total Net Assets	<u>\$ 1,645,712</u>	<u>\$ 1,658,894</u>	<u>\$ 1,645,712</u>	<u>\$ 1,658,894</u>

An additional portion of the Fire Protection District's net assets (8 percent) represents resources that are subject to external restrictions on how they may be used.

Governmental activities - Governmental activities decreased the Fire Protection District's net assets by \$13,182. Key elements of this decrease are as follows:

Grayslake Fire Protection District's Change in Net Assets - Modified Cash Basis

	Governmental Activities		Total	
	4/30/2007	4/30/2006	4/30/2007	4/30/2006
Revenues:				
Program Revenues:				
Charges for Services	\$ 521,390	\$ 448,906	\$ 521,390	\$ 448,906
Capital Grants and Contributions	69,993	220,718	69,993	220,718
General Revenues:				
Property Taxes	3,694,076	3,356,177	3,694,076	3,356,177
Other Taxes	32,279	28,840	32,279	28,840
Unrestricted Investment Earnings	55,470	34,783	55,470	34,783
Contributions	28,500	4,344	28,500	4,344
Impact Fees	38,600	73,770	38,600	73,770
Memorial Donations	5,678	-	5,678	-
Other Income	2,653	14,163	2,653	14,163
Loss on Disposal of Fixed Assets	(3,253)	-	(3,253)	-
Total Revenues	<u>\$ 4,445,386</u>	<u>\$ 4,181,701</u>	<u>\$ 4,445,386</u>	<u>\$ 4,181,701</u>
Expenses				
General Government	\$ 318,727	\$ 314,334	\$ 318,727	\$ 314,334
Public Safety	4,117,802	3,892,270	4,117,802	3,892,270
Depreciation - Unallocated	5,442	5,442	5,442	5,442
Interest and Fees on Long-Term Debt	16,597	17,113	16,597	17,113
Total Expenses	<u>\$ 4,458,568</u>	<u>\$ 4,229,159</u>	<u>\$ 4,458,568</u>	<u>\$ 4,229,159</u>
Increase/(Decrease) in Net Assets	\$ (13,182)	\$ (47,458)	\$ (13,182)	\$ (47,458)
Net Assets - Beginning	1,658,894	1,706,352	1,658,894	1,706,352
Net Assets - Ending	<u>\$ 1,645,712</u>	<u>\$ 1,658,894</u>	<u>\$ 1,645,712</u>	<u>\$ 1,658,894</u>

- Capital grants and contributions decreased by \$150,725 during the year ended April 30, 2007. This decrease is due to not receiving the SCBA & compressor grant.

- Property taxes increased by \$337,899 (9 percent) during the year ended April 30, 2007. This increase is due to an increase in the assessed valuation.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Expenses increased \$229,409 over the previous year. Key factors include increases in salary expenses from annual raises and step increases along with associated benefit increases, and increases in health insurance premiums. The Fire Protection District started a paid on premise program during the year, which will help reduce overtime expenses in the future.

FINANCIAL ANALYSIS OF THE FIRE PROTECTION DISTRICT'S FUNDS

As noted earlier, the Fire Protection District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Fire Protection District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Fire Protection District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Fire Protection District's net resources available for spending at the end of the fiscal year.

At April 30, 2007, the Fire Protection District's governmental funds reported combined ending fund balances of \$395,818, an increase of \$54,429 in comparison with the prior year.

The General Corporate Fund is the chief operating fund of the Fire Protection District. At April 30, 2007, unreserved fund balance of the General Corporate Fund was \$119,735. As a measure of the General Corporate Fund's liquidity, it may be useful to compare unreserved fund balance to total General Corporate Fund expenditures. Unreserved fund balance represents 6 percent of total General Corporate Fund expenditures.

The fund balance of the Fire Protection District's General Corporate Fund decreased by \$20,359 during the year ended April 30, 2007.

GENERAL CORPORATE FUND BUDGETARY HIGHLIGHTS

Significant differences between budget and actual expenditures are summarized as follows:

- The difference between estimated revenues and actual revenues was \$5,759 (favorable).
- The difference between budgeted expenditures and actual expenditures was \$63,322 (favorable).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - The Fire Protection District's investment in capital assets for its governmental activities as of April 30, 2007 amounts to \$1,768,308 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, apparatus equipment, and other equipment. The total decrease in the Fire Protection District's investment in capital assets for the year ended April 30, 2007 was 6 percent.

Major capital asset events during the fiscal year ended April 30, 2007 included the following:

- Purchase of a 2006 Ford Expedition \$26,134
- Disposal of Xerox Phaser copy machine \$7,400
- Disposal of 1997 Chevy Lumina \$13,250

Grayslake Fire Protection District's Capital Assets
(net of depreciation)

	Governmental Activities		Total	
	4/30/2007	4/30/2006	4/30/2007	4/30/2006
Land	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000
Buildings and Improvements	584,618	609,873	584,618	609,873
Apparatus Equipment	1,060,772	1,135,904	1,060,772	1,135,904
Other Equipment	89,918	106,164	89,918	106,164
Total	<u>\$ 1,768,308</u>	<u>\$ 1,884,941</u>	<u>\$ 1,768,308</u>	<u>\$ 1,884,941</u>

Additional information on the Fire Protection District's capital assets can be found in note 5 on page 23 of this report.

Long-term debt - At April 30, 2007, the Fire Protection District had total debt outstanding of \$498,281. The lease payable debt is collateralized by a ladder truck, a pumper truck and a medtek ambulance.

Grayslake Fire Protection District's Outstanding Debt

	Governmental Activities		Total	
	4/30/2007	4/30/2006	4/30/2007	4/30/2006
Leases Payable	\$ 246,954	\$ 351,784	\$ 246,954	\$ 351,784
Compensated Absences	251,327	235,893	251,327	235,893
Total	<u>\$ 498,281</u>	<u>\$ 587,677</u>	<u>\$ 498,281</u>	<u>\$ 587,677</u>

The Fire Protection District's total debt decreased by \$89,396 (15 percent) during the year ended April 30, 2007. The key factor in this decrease was principal payments made on the debt during the year.

Additional information on the Fire Protection District's long-term debt can be found in note 7 on pages 28 and 29 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The assessed valuation for 2006 is \$867,545,270, an increase of \$87,539,542 (11 percent) over the prior year.
- Firefighters will receive a 5% increase and Officers will receive a 7.5% increase in salaries effective May 2007.
- The Fire Protection District will apply for a FEMA grant worth \$180,000 for radio purchases during fiscal year 2007, but may not know if it gets approved until early 2008.
- No capital projects are planned for fiscal year 2007

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Fire Protection District's finances for all those with an interest in the Fire Protection District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fire Chief, Grayslake Fire Protection District, 160 Hawley Street, Grayslake, IL 60030.

BASIC FINANCIAL STATEMENTS

GRAYSLAKE FIRE PROTECTION DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
APRIL 30, 2007

	Governmental Activities	Total
ASSETS		
Cash and Cash Equivalents	\$ 392,605	\$ 392,605
Prepaid Payroll Taxes	3,213	3,213
Capital Assets (Note 5):		
Land	33,000	33,000
Other Capital Assets, Net of Depreciation	1,735,308	1,735,308
Total Assets	\$ 2,164,126	\$ 2,164,126
LIABILITIES		
Net Pension Liability	\$ 20,133	\$ 20,133
Non-Current Liabilities:		
Due Within One Year	109,767	109,767
Due in More Than One Year	388,514	388,514
Total Liabilities	\$ 518,414	\$ 518,414
NET ASSETS		
Investment in Capital Assets, Net of Related Debt	\$ 1,521,353	\$ 1,521,353
Restricted for:		
Ambulance Service	63,503	63,503
Audit	29,101	29,101
Social Security	38,699	38,699
Unrestricted/(Deficit)	(6,944)	(6,944)
Total Net Assets	\$ 1,645,712	\$ 1,645,712

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2007

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges For Services	Capital Grants and Contributions	Governmental Activities	Total
Primary Government					
Governmental Activities					
General Government	\$ 318,727	\$ 13,364	\$ -	\$ (305,363)	\$ (305,363)
Public Safety	4,117,802	508,026	69,993	(3,539,783)	(3,539,783)
Depreciation - Unallocated	5,442	-	-	(5,442)	(5,442)
Interest on Long-Term Debt	16,597	-	-	(16,597)	(16,597)
Total Primary Government	\$ 4,458,568	\$ 521,390	\$ 69,993	\$ (3,867,185)	\$ (3,867,185)
General Revenues					
Taxes:					
Property Taxes				\$ 3,694,076	\$ 3,694,076
Personal Property Replacement Taxes				7,827	7,827
Foreign Fire Insurance Taxes				24,452	24,452
Unrestricted Investment Earnings				55,470	55,470
Contributions - LCSRT				28,500	28,500
Impact Fees				38,600	38,600
Memorial Donations				5,678	5,678
Other Income				2,653	2,653
Loss on Disposal of Fixed Assets				(3,253)	(3,253)
Total General Revenues				<u>\$ 3,854,003</u>	<u>\$ 3,854,003</u>
Change in Net Assets				\$ (13,182)	\$ (13,182)
Net Assets - Beginning of Year, as Restated				<u>1,658,894</u>	<u>1,658,894</u>
Net Assets - End of Year				<u>\$ 1,645,712</u>	<u>\$ 1,645,712</u>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
FUND FINANCIAL STATEMENTS
BALANCE SHEET - MODIFIED CASH BASIS
GOVERNMENTAL FUNDS
APRIL 30, 2007

	General Corporate Fund	Ambulance Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 116,522	\$ 212,585	\$ 63,498	\$ 392,605
Prepaid Payroll Taxes	3,213	-	-	3,213
TOTAL ASSETS	<u>\$ 119,735</u>	<u>\$ 212,585</u>	<u>\$ 63,498</u>	<u>\$ 395,818</u>
LIABILITIES AND FUND BALANCE				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balance				
Unreserved	\$ 119,735	\$ 212,585	\$ -	\$ 332,320
Unreserved, reported in nonmajor: Special Revenue Funds	-	-	63,498	63,498
	<u>\$ 119,735</u>	<u>\$ 212,585</u>	<u>\$ 63,498</u>	<u>\$ 395,818</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 119,735</u>	<u>\$ 212,585</u>	<u>\$ 63,498</u>	<u>\$ 395,818</u>

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE BALANCE SHEET - MODIFIED CASH BASIS
TO THE STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
APRIL 30, 2007

Fund Balances - Total Governmental Funds	\$	395,818
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Amounts reported for governmental activities in the Statement of
Net Assets - Modified Cash Basis are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds.

Capital Assets	\$ 2,936,051	
Less: Accumulated Depreciation	<u>(1,167,743)</u>	
		1,768,308

The Net Pension Asset/Obligation is not included in the governmental funds.		(20,133)
--	--	----------

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Capital Leases Payable	\$ (246,954)	
Compensated Absences	<u>(251,327)</u>	
		<u>(498,281)</u>

Net Assets of Governmental Activities	\$	<u>1,645,712</u>
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The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
YEAR ENDED APRIL 30, 2007

	General Corporate Fund	Ambulance Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 1,882,293	\$ 1,446,316	\$ 365,467	\$ 3,694,076
Personal Property Replacement Taxes	7,827	-	-	7,827
Foreign Fire Insurance Taxes	24,452	-	-	24,452
Reimbursement-Fire Training	118	-	-	118
Ambulance Fees	-	508,026	-	508,026
Service Fees	13,246	-	-	13,246
Grants	69,993	-	-	69,993
Contributions - LCSRT	28,500	-	-	28,500
Earnings on Investments	20,512	26,509	8,449	55,470
Impact Fees	38,600	-	-	38,600
Memorial Donations	5,678	-	-	5,678
Miscellaneous	2,653	-	-	2,653
	<u>\$ 2,093,872</u>	<u>\$ 1,980,851</u>	<u>\$ 373,916</u>	<u>\$ 4,448,639</u>
EXPENDITURES				
Current				
General Government	\$ 112,796	\$ 163,370	\$ 32,397	\$ 308,563
Public Safety	1,740,799	1,742,221	326,026	3,809,046
Capital Outlay	139,209	15,965	-	155,174
Debt Service	121,427	-	-	121,427
	<u>\$ 2,114,231</u>	<u>\$ 1,921,556</u>	<u>\$ 358,423</u>	<u>\$ 4,394,210</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (20,359)	\$ 59,295	\$ 15,493	\$ 54,429
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ (20,359)	\$ 59,295	\$ 15,493	\$ 54,429
FUND BALANCE - MAY 1, 2006	<u>140,094</u>	<u>153,290</u>	<u>48,005</u>	<u>341,389</u>
FUND BALANCE - APRIL 30, 2007	<u>\$ 119,735</u>	<u>\$ 212,585</u>	<u>\$ 63,498</u>	<u>\$ 395,818</u>

The Notes the Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
FUND FINANCIAL STATEMENTS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED APRIL 30, 2007

Net Change in Fund Balances - Total Governmental Funds \$ 54,429

Amounts reported for governmental activities in the Statement of
Activities - Modified Cash Basis are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities - Modified Cash Basis, the
cost of these assets is depreciated over their estimated useful lives
and reported as depreciation expense. This is the amount by which
capital outlay exceeds depreciation expense in the current period.

Capital Outlays	\$ 26,134	
Depreciation Expense	<u>(139,515)</u>	(113,381)

Some expenses reported in the Statement of Activities - Modified Cash
Basis do not require the use of current financial resources and therefore
are not reported as expenditures in governmental funds.

Compensated Absences		(15,433)
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The change in the Net Pension Asset/Obligation is not included in the governmental funds.		(40,374)
--	--	----------

Repayment of long-term debt requires the use of current financial
resources of governmental funds and is therefore shown as an
expenditure in the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Modified Cash Basis, but the repayment reduces
long-term liabilities in the Statement of Net Assets - Modified Cash
Basis and is therefore not reported in the Statement of Activities -
Modified Cash Basis.

Repayment of Long-Term Debt		104,830
-----------------------------	--	---------

In the statement of activities the loss on the disposition of the bureau car
is reported, whereas in the governmental funds, nothing is reported as no
proceeds were received from the disposition. Thus, the change in net
assets differs from the change in fund balance by the undepreciated cost
of the bureau car.

Loss on Sale of Fixed Assets		<u>(3,253)</u>
------------------------------	--	----------------

Change in Net Assets of Governmental Activities		<u>\$ (13,182)</u>
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The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
FUND FINANCIAL STATEMENTS
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND - PENSION FUND
APRIL 30, 2007

ASSETS

Cash and Cash Equivalents	\$ 1,330,084
Investments	4,123,626
Accrued Interest Receivable	<u>8,413</u>
TOTAL ASSETS	<u>\$ 5,462,123</u>

LIABILITIES

Due to Other Districts	<u>\$ -</u>
------------------------	-------------

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 5,462,123</u></u>
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The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
FUND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND - PENSION FUND
YEAR ENDED APRIL 30, 2007

ADDITIONS

Contributions	
Employer	\$ 427,674
Plan Members	192,107
Total Contributions	<u>\$ 619,781</u>

Investment and Other Income

Net Appreciation/(Depreciation) in	
Fair Value of Investments	\$ 209,580
Interest	198,378
Amortization of Premium/Discount	(1,748)
Total Investment and Other Income	<u>\$ 406,210</u>

TOTAL ADDITIONS	<u>\$ 1,025,991</u>
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DEDUCTIONS

Benefits	\$ 78,967
Administrative	24,165
TOTAL DEDUCTIONS	<u>\$ 103,132</u>

NET INCREASE	\$ 922,859
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NET ASSETS HELD IN TRUST FOR PENSION
BENEFITS - MAY 1, 2006

4,539,264

NET ASSETS HELD IN TRUST FOR PENSION
BENEFITS - APRIL 30, 2007

\$ 5,462,123

The Notes to Financial Statements are an integral part of this statement.

GRAYSLAKE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Grayslake Fire Protection District (Fire Protection District) was organized November 23, 1976 under the provisions of Chapter 70 of the Illinois Compiled Statutes. The Fire Protection District operates under the direction of a Board of Trustees appointed by the Chairman of the County Board, and provides fire and ambulance protection services in the Grayslake area. The Fire Protection District's Pension Fund Board consists of the regular Fire Protection District Board, the Chief, and three active and one retired firefighter.

Grayslake Fire Protection District's financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), except for the Pension Fund financial statements which are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. The Fire Protection District follows all Governmental Accounting Standards Board (GASB) pronouncements and pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 that do not conflict with or contradict GASB pronouncements, to the extent they are applicable to the modified cash basis of accounting, where applicable. The more significant accounting policies used by the Fire Protection District are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the Fire Protection District. Component units are legally separate entities for which the Fire Protection District (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Fire Protection District's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Fire Protection District. The Fire Protection District has determined that the Grayslake Firefighter's Pension Fund meets the above criteria. The Grayslake Firefighter's Pension Fund is blended into the Fire Protection District's primary government financial statements as a Fiduciary Fund although it remains a separate legal entity. In addition, the Fire Protection District is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The Fire Protection District's basic financial statements include both government-wide (reporting the Fire Protection District as a whole) and fund (reporting the Fire Protection District's major funds) financial statements. Both the government-wide and fund financial statements categorize all of the primary activities of the Fire Protection District as governmental activities. The Fire Protection District's general government and public safety functions are classified as governmental activities. The Fire Protection District does not have any business-type activities.

In the government-wide Statement of Net Assets – Modified Cash Basis, the governmental activities column (a) is presented on a consolidated basis by column, and (b) is reported on a modified cash, economic resource basis, which recognizes all

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. *Basic Financial Statements – Government-Wide Financial Statements (Continued).*

long-term assets as well as long-term debt and obligations arising from cash transactions. The Fire Protection District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Fire Protection District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities – Modified Cash Basis reports both the gross and net cost of each of the Fire Protection District's functions. The functions are also supported by general government revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.). The Statement of Activities – Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants (where applicable). Program revenues must be directly associated with the function (general government and public safety). Program revenues include charges to customers, or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The Fire Protection District had no operating grants or capital grants for the year ended April 30, 2007.

The net costs (by function) are normally covered by general revenues (property taxes, personal property replacement taxes, unrestricted investment earnings, etc.).

The Fire Protection District does not allocate indirect costs.

The government-wide focus is more on the sustainability of the Fire Protection District as an entity and the change in the Fire Protection District's net assets resulting from the current year's activities.

C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Fire Protection District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. GASB Statement No. 34 sets forth the minimum criteria (percentage of assets, liabilities, revenues and expenditures of all governmental funds) for the determination of major funds. The nonmajor funds are combined in a single column in the fund financial statements.

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The Fire Protection District reports these major governmental funds and fund types:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. *Basic Financial Statements – Fund Financial Statements (Continued)*

1. Governmental Funds (Continued)

- a. The General Fund is the Fire Protection District's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Ambulance Service Fund is used to account for the proceeds of specific revenue sources that are legally restricted to cash disbursements for specified purposes.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements

2. Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and, therefore, are not available to support Fire Protection District programs. The reporting focus is on net assets and changes in net assets and is reported using generally accepted accounting principles.

The Fire Protection District's Fiduciary Fund is presented in the Fiduciary Fund financial statements by type (pension). Because by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the government, this fund is not incorporated into the government-wide financial statements.

D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Modified Cash

In the government-wide Statement of Net Assets – Modified Cash Basis and Statement of Activities – Modified Cash Basis and the fund financial statements, (except for the Fiduciary Fund statements) governmental activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues and expenditures/expenses when they result from cash transactions, with a provision for depreciation in the government-wide financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. *Basis of Accounting* (Continued)

1. Modified Cash (Continued)

If the Fire Protection District utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting. The government-wide financial statements would be presented on the accrual basis of accounting.

2. Accrual

The Fiduciary Fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for the Fire Protection District's governmental funds. Instead, the funds maintain their uninvested cash balances in common checking and money market accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account may incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Fire Protection District funds and are, therefore, interfund loans that have not been authorized by the Fire Protection District Board action.

No Fire Protection District funds had a cash overdraft at April 30, 2007.

The Fire Protection District has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

F. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

G. *Inventories*

It is the Fire Protection District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Buildings and Improvements	10-75 years
Apparatus Equipment	8-35 years
Other Equipment	10 years

I. *Compensated Absences*

The Fire Protection District accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is reported only as a general long-term obligation in the government-wide Statement of Net Assets and represents a reconciling item between the fund and government-wide presentations.

Vacation and holiday benefits are granted to employees in varying amounts depending on tenure with the Fire Protection District. Unused vacation and holiday benefits are accumulated and carried over to subsequent years and are, therefore, recorded as a liability in the government-wide financial statements.

In accordance with the provisions of Financial Accounting Standards Board Statement No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, the Fire Protection District does have a policy that would allow unused accumulated sick time up to 1,440 hours to be paid upon retirement from the Fire Protection District. No employees are currently eligible for retirement and, therefore, no liability for sick time was recorded at April 30, 2007.

J. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the Statement of Net Assets - Modified Cash Basis. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuances costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles (Pension Fund) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

L. *Government-wide and Proprietary Fund Net Assets*

Government-wide and proprietary fund net assets are divided into three components:

- Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net assets – consist of net assets that are restricted by the Fire Protection District's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
- Unrestricted – all other net assets are reported in this category.

M. *Governmental Fund Balances*

Governmental fund balances are reported as "reserved" when the balances are not available for appropriation or expenditures or because they are legally segregated for a specific future use (for example because the government has encumbered assets pending vendor completion of supplies orders). The remaining balances are "unreserved" fund balances. The Fire Protection District may agree to set aside or "designate" resources for future uses – such as for specific capital projects. These unreserved, designated balances are based on management's tentative plans that are subject to change.

N. *Property Tax Calendar and Revenues*

The Fire Protection District is responsible for levying property taxes, but the taxes are collected by the County. The Fire Protection District's property tax is levied each calendar year on all taxable real property located in the Fire Protection District on or before the last Tuesday in December. The 2006 levy was passed by the board on December 20, 2006. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Fire Protection District receives significant distributions of tax receipts approximately one month after these dates.

NOTE 2 - PROPERTY TAXES REVENUE

Property taxes recorded in these financial statements are from the 2005 tax levy. A summary of the assessed valuations, rates and extensions for the years 2005, 2004, and 2003 follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - PROPERTY TAXES REVENUE (Continued)

Assessed Valuation	2005		2004		2003	
	\$780,005,728		\$722,245,076		\$681,394,131	
	Rate	Extension	Rate	Extension	Rate	Extension
Corporate Fund	0.187	\$ 1,458,611	0.194	\$ 1,401,155	0.190	\$ 1,294,649
Ambulance Service Fund	0.186	1,450,811	0.180	1,300,041	0.171	1,165,184
Audit Fund	0.002	15,600	0.002	14,445	-	-
Liability Insurance Fund	0.020	156,001	0.020	144,449	0.018	122,651
Social Security Fund	0.025	195,001	0.024	173,339	0.023	156,721
Firefighter's Pension Fund	0.055	429,003	0.054	390,012	0.045	306,627
	0.475	\$ 3,705,027	0.474	\$ 3,423,441	0.447	\$ 3,045,832

NOTE 3 - SPECIAL TAX LEVIES AND RESTRICTED NET ASSETS

Revenues and the related expenditures of restricted tax levies are accounted for in the governmental funds. Portions of the governmental funds' net assets represent the excess of cumulative revenues over cumulative expenditures which are restricted for future expenditures. There is no restricted balance for the special tax levies when the cumulative expenditures exceed the cumulative revenues. A summary of the restricted net assets balances at April 30, 2007 is as follows:

Ambulance Service	\$ 63,503
Audit	29,101
Social Security	38,699

NOTE 4 - DEPOSITS AND INVESTMENTS

The Fire Protection District is allowed to invest in securities as authorized by the Illinois Compiles Statutes, Chapter 30, Act 235/Articles 2 and 6, and Chapter 40, Act 5/Article 4 - Pensions.

A. Deposits

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Fire Protection District's deposits may not be returned to it. The Fire Protection District does not have a deposit policy for custodial credit risk. As of April 30, 2007, \$0 of the Fire Protection District's bank balance was exposed to custodial credit risk.

B. Investments

The following table categorizes the investments according to levels of risk:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
Federal Home Loan Mtg Corp	\$ 144,690	\$ -	\$ -	\$ -	\$ 144,690
Mutual Funds	566,576	566,576	-	-	-
Federal Home Loan Bank	342,439	-	342,439	-	-
Federal Farm Credit Bank	149,625	-	149,625	-	-
Government National Mtg Assoc	166,515	-	-	-	166,515
Annuities	269,633	196,663	72,970	-	-
U.S. Treasury Notes & Strips	1,474,033	-	445,217	-	1,028,816
Totals	\$ 3,113,511	\$ 763,239	\$ 1,010,251	\$ -	\$ 1,340,021

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk. The Fire Protection District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State law limits investments based on credit risk. The Fire Protection District has no investment policy that would further limit its investment choices. As of April 30, 2007, the Fire Protection District's investments were rated as follows:

Investment	Credit Rating	Rating Source
Federal Home Loan Mtg Corp	AAA/Aaa	Standard and Poor's/Moody's
Mutual Funds	NR/NR	Standard and Poor's/Moody's
Federal Home Loan Bank	AAA/Aaa	Standard and Poor's/Moody's
Federal Farm Credit Bank	NR/Aaa	Standard and Poor's/Moody's
Annuities	NR/NR	Standard and Poor's/Moody's
U.S. Treasury Notes & Strips	AAA/Aaa	Standard and Poor's/Moody's

Concentration of Credit Risk. The Fire Protection District places no limit on the amount the Fire Protection District may invest in any one issuer. More than 5% of the Fire Protection District's investments are in Federal Home Loan Bank (6%).

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the Fire Protection District for the year ended April 30, 2007 was as follows:

	Balance May 1, 2006	Increases	Decreases	Balance April 30, 2007
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 33,000	\$ -	\$ -	\$ 33,000
Other Capital Assets:				
Buildings and Improvements	\$ 866,097	\$ -	\$ -	\$ 866,097
Apparatus Equipment	1,880,615	26,134	13,250	1,893,499
Other Equipment	150,855	-	7,400	143,455
Total Other Capital Assets at Historical Cost	\$ 2,897,567	\$ 26,134	\$ 20,650	\$ 2,903,051
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 256,224	\$ 25,255	\$ -	\$ 281,479
Apparatus Equipment	744,711	100,604	12,588	832,727
Other Equipment	44,691	13,656	4,810	53,537
Total Accumulated Depreciation	\$ 1,045,626	\$ 139,515	\$ 17,398	\$ 1,167,743
Other Capital Assets, Net	\$ 1,851,941	\$ (113,381)	\$ 3,252	\$ 1,735,308
Governmental Activities Capital Assets, Net	\$ 1,884,941	\$ (113,381)	\$ 3,252	\$ 1,768,308

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	\$ 868
Public Safety	133,205
Unallocated	5,442
	<u>\$ 139,515</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS

A. *Firefighter's Pension Fund*

Plan Description and Contribution Information

The Grayslake Firefighter's Pension Fund (Plan) is a defined benefit single-employer pension plan that covers all full-time firefighters of the Fire Protection District. The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 4 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

Membership in the Plan consisted of the following at April 30, 2006, the date of the latest actuarial valuation:

Retirees and Beneficiaries Receiving Benefits	3
Active Plan Members	<u>29</u>
Total	<u><u>32</u></u>

Plan members are required to contribute 8.455% of their annual covered salary. The Fire Protection District is required to contribute at an actuarially determined rate. Contribution requirements of both the Plan members and the Fire Protection District are established and may be amended by the Illinois legislature. Administrative costs of the Plan are financed through investment earnings.

Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The Fire Protection District contributions to the Plan are recognized when due and when the Fire Protection District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Any investments that do not have an established market are reported at estimated fair value.

Annual Pension Cost and Net Pension Obligation

The Fire Protection District's annual pension cost and net pension obligation to the Plan as of April 30, 2007 is as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Firefighter's Pension Fund* (Continued)

Annual Pension Cost and Net Pension Obligation (Continued)

Annual required contribution	\$	384,849
Adjustment to annual required contribution		83,199
Annual pension cost	\$	468,048
Contributions made		(427,674)
Increase/(decrease) in net pension obligation	\$	40,374
Net pension obligation beginning of year		(20,241)
Net pension obligation end of year	\$	20,133

The annual required contribution for the current year was determined as part of the April 30, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.5%. Both (a) and (b) include an inflation component. The assumptions include postretirement benefit increases of 3%. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2006 was 27 years.

Required Supplementary Information

TREND INFORMATION

FISCAL YEAR ENDING	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
4/30/07	\$ 468,048	91.4%	\$ 20,133
4/30/06	385,014	99.3%	(20,241)
4/30/05	361,745	84.8%	(22,906)
4/30/04	361,745	84.8%	(22,906)
4/30/03	285,390	99.3%	(78,024)

SCHEDULE OF FUNDING PROGRESS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCURED LIABILITY (AAL)--ENTRY AGE (b)	UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
4/30/06	\$ 4,587,936	\$ 6,725,770	\$ 2,137,834	68.2%	\$ 1,911,224	111.9%
4/30/05	3,863,854	5,783,946	1,920,092	66.8%	1,788,744	107.3%
4/30/04	3,683,022	4,639,777	956,755	79.4%	1,609,098	59.5%
4/30/03	3,130,479	4,050,198	919,719	77.3%	1,520,770	60.5%
4/30/02	2,710,255	3,405,041	694,786	79.6%	1,213,021	57.3%
4/30/01	2,313,939	3,218,787	904,848	71.9%	1,158,450	78.1%
4/30/00	1,878,357	2,385,849	507,492	78.7%	1,053,135	48.2%
4/30/99	1,537,337	2,083,440	546,103	73.8%	757,712	72.1%
4/30/98	N/A	N/A	N/A	N/A	N/A	N/A
4/30/97	848,426	1,331,689	483,263	63.7%	665,048	72.7%

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (Continued)

A. *Firefighter's Pension Fund (Continued)*

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>YEAR ENDED APRIL 30</u>	<u>ANNUAL REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
2007	\$ 384,849	111.1%
2006	344,714	110.9%
2005	324,042	94.6%
2004	324,042	94.6%
2003	257,641	110.0%
2002	195,295	113.8%
2001	152,618	133.7%
2000	N/A	N/A
1999	132,356	81.7%
1998	104,801	81.3%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

	<u>SEPP</u>
Valuation date	4/30/2006
Actuarial cost method	Entry Age Normal Cost
Amortization method	Level percentage of payroll in accordance with Sec 4-118 of the Illinois Pension Code
Remaining amortization period	27.1699 years
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases (including inflation)	5.50%

B. *Illinois Municipal Retirement Fund*

The Fire Protection District's agent multiple-employer defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the Plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. The report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Fire Protection District is required to contribute at an actuarially determined rate. The Fire Protection District rate for calendar year 2006 was 15.62% of payroll. The Fire Protection District contribution requirements are established and may be amended by the IMRF Board of

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (Continued)

B. Illinois Municipal Retirement Fund (Continued)

Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 30 years.

For December 31, 2006, the Fire Protection District's annual pension cost of \$10,471 was equal to the Fire Protection District's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002 - 2004 Experience Study.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 10,471	100%	\$0
12/31/05	9,947	100%	0
12/31/04	9,181	100%	0
12/31/03	6,315	100%	0
12/31/02	1,831	100%	0
12/31/01	-	100%	0
12/31/00	-	100%	0
12/31/99	-	100%	0
12/31/98	-	100%	0
12/31/97	-	100%	0

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/06	\$ 78,151	\$ 169,981	\$ 91,830	45.98%	\$ 67,039	136.98%
12/31/05	62,032	149,684	87,652	41.44%	63,847	137.28%
12/31/04	46,595	131,228	84,633	35.51%	61,002	138.74%
12/31/03	34,710	119,582	84,872	29.03%	60,960	139.23%
12/31/02	27,424	95,221	67,797	28.80%	17,673	383.62%
12/31/01	-	-	-	0.00%	-	0.00%
12/31/00	-	-	-	0.00%	-	0.00%
12/31/99	-	-	-	0.00%	-	0.00%
12/31/98	-	-	-	0.00%	-	0.00%
12/31/97	-	-	-	0.00%	-	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$82,305. On a market basis, the funded ratio would be 48.42%.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - RETIREMENT FUND COMMITMENTS (Continued)

B. *Illinois Municipal Retirement Fund (Continued)*

Digest of Changes

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For Regular members, fewer normal and early retirements are expected to occur.

SLEP Member contribution rate changed from 6.50% to 7.50% effective June 1, 2006.

C. *Social Security*

All employees are covered under Social Security. The Fire Protection District paid \$183,746 to social security in fiscal year 2007, the total contribution required.

NOTE 7 - LONG-TERM LIABILITY ACTIVITY

Changes in long-term debt are summarized as follows:

	Balance May 1, 2006	Additions	Retirements	Balance April 30, 2007	Amounts Due Within One Year
Governmental Activities:					
Long-Term Debt					
Lease Payable - Ladder Truck	\$ 135,901	\$ -	\$ 35,888	\$ 100,013	\$ 37,849
Lease Payable - Pumper Truck	131,295	-	41,858	89,437	43,737
Lease Payable - Ambulance	84,588	-	27,084	57,504	28,181
Other Long Term Liabilities					
Compensated Absences	235,893	15,434	-	251,327	-
Total	<u>\$ 587,677</u>	<u>\$ 15,434</u>	<u>\$ 104,830</u>	<u>\$ 498,281</u>	<u>\$ 109,767</u>

On April 16, 1999 the Fire Protection District financed \$525,606 for the lease/purchase of a ladder truck. The lease has an interest rate of 5.245% and is to be paid in semi-annual installments. The first payment for \$200,000 was due July 16, 1999 with the remaining payments of \$21,582 beginning January 16, 2000 and continuing through July 16, 2009. As of April 30, 2007 the balance due on the lease is \$100,013.

On January 22, 2004 the Fire Protection District financed \$209,690 for the lease/purchase of a pumper truck. The lease has an interest rate of 4.4% and is to be paid in annual principal and interest installments of \$47,752. The first payment was due January 27, 2005 and payments continue through January 27, 2009. As of April 30, 2007 the balance due on the lease is \$89,437.

On August 15, 2005 the Fire Protection District financed \$84,558 for the lease/purchase of an ambulance. The lease has an interest rate of 3.97% and is to be paid in annual principal and interest installments of \$30,510.23. The first payment was due August 15, 2006 and payments continue through August 16, 2008. As of April 30, 2007 the balance due on the lease is \$57,504.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 - LONG-TERM LIABILITY ACTIVITY (Continued)

The annual requirements to retire the lease/purchase agreements as of April 30, 2007 are as follows:

YEAR ENDED APRIL 30	PRINCIPAL	INTEREST	TOTAL
2008	\$ 109,767	\$ 11,659	\$ 121,426
2009	115,932	5,494	121,426
2010	21,255	327	21,582
	<u>\$ 246,954</u>	<u>\$ 17,480</u>	<u>\$ 264,434</u>

NOTE 8 - EXCESS OF EXPENDITURES OVER BUDGET

At April 30, 2007 the expenditures of the following funds exceeded the budget:

FUND	BUDGET	ACTUAL	EXCESS OF ACTUAL OVER BUDGET
Liability Insurance	\$ 156,988	\$ 168,877	\$ 11,889

NOTE 9 - CONTINGENCIES

The Fire Protection District is not aware of any litigation which might have a material adverse affect on the Fire Protection District's financial position.

NOTE 10 - RISK MANAGEMENT

The Fire Protection District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Fire Protection District purchases commercial insurance to handle these risks of loss. During fiscal year 2007 there was no significant reduction in insurance coverage for any category. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four fiscal years.

The Fire Protection District is also a member of Illinois Public Risk Fund (IPRF), which has been formed to reduce members' workers' compensation costs. Each member district has a financial responsibility for annual membership contributions, which are calculated to provide for administrative expenses, specific and aggregate excess insurance coverage, and the funding of a portion of anticipated losses and loss adjustment expenses which will be borne directly by the membership. The losses and loss adjustment expenses to be borne by the membership are those which must be incurred prior to the attachment of excess insurance coverage.

NOTE 11 - DEFICIT FUND BALANCE

A deficit fund balance existed in the following fund:

FUND	APRIL 30, 2007 FUND BALANCE
Liability Insurance	\$ (4,302)

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - OPERATING LEASES

On May 21, 2006, the Fire District entered into an operating lease for a New Gestetner DSM735SP copier. The lease is for 60 months at \$290 per month.

Minimum annual lease payments are as follows:

<u>YEAR ENDING APRIL 30</u>	<u>AMOUNT</u>
2008	\$ 3,480
2009	3,480
2010	3,480
2011	3,480
	<u>\$ 13,920</u>

Rental expense for the year ended April 30, 2007 was \$3,480.

REQUIRED SUPPLEMENTARY INFORMATION

GRAYSLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - GENERAL CORPORATE FUND
YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Property Taxes - General	\$ 1,458,610	\$ 1,458,610	\$ 1,454,619
Property Taxes - Pension	429,003	429,003	427,674
Personal Property Replacement Taxes	6,500	6,500	7,827
Foreign Fire Insurance Taxes	21,000	21,000	24,452
Reimbursement-Fire Training	4,000	4,000	118
Service Fees	15,000	15,000	13,246
Grants	79,800	79,800	69,993
Contributions - LCSRT	8,700	8,700	28,500
Earnings on Investments	14,000	14,000	20,512
Impact Fees	50,000	50,000	38,600
Memorial Donations	-	-	5,678
Miscellaneous	1,500	1,500	2,653
	<u>\$ 2,088,113</u>	<u>\$ 2,088,113</u>	<u>\$ 2,093,872</u>
EXPENDITURES			
Current			
General Government			
Chief Salary	\$ 35,100	\$ 35,100	\$ 28,922
Trustees Salary	2,300	2,300	1,475
Administrative Assistant Salary	35,000	35,000	34,019
IMRF Contribution	4,500	4,500	5,299
Legal Fees	11,000	11,000	13,780
Printing and Publications	2,000	2,000	1,657
Office Supplies	3,000	3,000	2,945
Repairs - Office Equipment	7,500	7,500	4,729
Postage	1,000	1,000	634
Telephone	9,000	9,000	7,367
Dues to Organizations	2,750	2,750	2,391
Conference Expenses	3,000	3,000	2,044
Meeting and Practice Meals	1,000	1,000	1,546
Annual Functions	4,000	4,000	3,381
Unemployment Tax	6,400	6,400	2,607
Miscellaneous	1,000	1,000	-
	<u>\$ 128,550</u>	<u>\$ 128,550</u>	<u>\$ 112,796</u>
Public Safety			
Fire Station Building			
Repairs - Station Equipment	\$ 2,500	\$ 2,500	\$ 1,016
Maintenance and Repairs	15,000	15,000	10,456
Materials and Supplies	5,000	5,000	4,352
Insurance	3,300	3,300	2,982
Utilities	16,000	16,000	9,739
Miscellaneous	100	100	241
Traffic Signal Pre-emption	7,500	7,500	1,663
	<u>\$ 49,400</u>	<u>\$ 49,400</u>	<u>\$ 30,449</u>
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Maintenance Apparatus	\$ 30,000	\$ 30,000	\$ 28,948
Maintenance Equipment	6,500	6,500	1,535
Supplies - Small Tools	3,000	3,000	2,281
Personnel - Protective Gear	10,000	10,000	10,258
Personnel - Uniforms	9,500	9,500	7,756
Gasoline and Diesel Fuel	10,000	10,000	14,387

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - GENERAL CORPORATE FUND
YEAR ENDED APRIL 30, 2007

EXPENDITURES (Continued)	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
Current (Continued)			
Public Safety (Continued)			
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies (Continued)			
Chiefs Assessment	\$ 5,500	\$ 5,500	\$ 5,060
Insurance - Vehicles	5,200	5,200	4,829
Insurance - Equipment	600	600	496
Miscellaneous	100	100	11
	<u>\$ 80,400</u>	<u>\$ 80,400</u>	<u>\$ 75,561</u>
Fire Protection Service			
Chief Salary	\$ 23,400	\$ 23,400	\$ 28,923
Salaries - Full Time	775,000	775,000	764,209
Salaries - P.O.C.	88,000	88,000	70,525
Salaries - Overtime	40,000	40,000	62,743
Pension Contribution	429,003	429,003	427,674
Inspection Bureau Expenses	5,500	5,500	5,843
Dispatcher - Alarm	40,000	40,000	43,410
Alarm Facilities	300	300	-
Communication Service	6,500	6,500	6,453
Insurance - Life	3,200	3,200	4,641
Insurance - Medical	180,000	180,000	203,495
Training Expenses	10,000	10,000	4,812
Employee Assessment	5,000	5,000	228
Miscellaneous	100	100	-
Physicals	9,500	9,500	11,539
	<u>\$ 1,615,503</u>	<u>\$ 1,615,503</u>	<u>\$ 1,634,495</u>
Provision for Contingencies	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 294</u>
Total Public Safety	<u>\$ 1,775,303</u>	<u>\$ 1,775,303</u>	<u>\$ 1,740,799</u>
Total Current	<u>\$ 1,903,853</u>	<u>\$ 1,903,853</u>	<u>\$ 1,853,595</u>
Capital Outlay			
General Government			
Office Equipment	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,595</u>
Public Safety			
Fire Station Building			
Station Equipment	\$ 1,000	\$ 1,000	\$ 208
Capital Building Reserve	10,000	10,000	-
SCBA/Compressor	4,200	4,200	4,129
	<u>\$ 15,200</u>	<u>\$ 15,200</u>	<u>\$ 4,337</u>
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Capital Equipment	\$ 20,000	\$ 20,000	\$ 16,133
Apparatus	150,000	150,000	27,013
LCSRT FEMA	71,000	71,000	81,559
	<u>\$ 241,000</u>	<u>\$ 241,000</u>	<u>\$ 124,705</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND - GENERAL CORPORATE FUND
YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
EXPENDITURES (Continued)			
Capital Outlay (Continued)			
Public Safety (Continued)			
Fire Protection Service			
Radio Equipment	\$ 2,500	\$ 2,500	\$ 796
FPD FEMA Project	10,000	10,000	5,776
	<u>\$ 12,500</u>	<u>\$ 12,500</u>	<u>\$ 6,572</u>
Total Public Safety	<u>\$ 268,700</u>	<u>\$ 268,700</u>	<u>\$ 135,614</u>
Total Capital Outlay	<u>\$ 273,700</u>	<u>\$ 273,700</u>	<u>\$ 139,209</u>
Debt Service			
Principal	\$ -	\$ -	\$ 104,830
Interest	-	-	16,597
Total Debt Service	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,427</u>
TOTAL EXPENDITURES	<u>\$ 2,177,553</u>	<u>\$ 2,177,553</u>	<u>\$ 2,114,231</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (89,440)	\$ (89,440)	\$ (20,359)
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	\$ (89,440)	\$ (89,440)	\$ (20,359)
FUND BALANCE - MAY 1, 2006	<u>140,094</u>	<u>140,094</u>	<u>140,094</u>
FUND BALANCE - APRIL 30, 2007	<u>\$ 50,654</u>	<u>\$ 50,654</u>	<u>\$ 119,735</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AMBULANCE SERVICE FUND
YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Property Taxes	\$ 1,450,810	\$ 1,450,810	\$ 1,446,316
Ambulance Fees	440,000	440,000	508,026
Earnings on Investments	17,000	17,000	26,509
Miscellaneous	1,000	1,000	-
	<u>\$ 1,908,810</u>	<u>\$ 1,908,810</u>	<u>\$ 1,980,851</u>
EXPENDITURES			
Current			
General Government			
Chief Salary	\$ 35,100	\$ 35,100	\$ 28,802
Trustees Salary	2,300	2,300	1,475
Administrative Assistant Salary	35,000	35,000	34,019
IMRF Contribution	4,500	4,500	5,299
Legal Fees	11,000	11,000	13,030
Printing and Publications	2,000	2,000	1,656
Office Supplies	3,000	3,000	2,989
Repairs - Office Equipment	7,500	7,500	4,729
Postage	1,000	1,000	634
Telephone	9,000	9,000	7,366
Dues to Organizations	2,750	2,750	2,261
Ambulance Billing	50,000	50,000	51,482
Conference Expenses	3,000	3,000	2,045
Meeting and Practice Meals	1,000	1,000	718
Annual Functions	4,000	4,000	3,383
Unemployment Tax	6,400	6,400	2,607
Miscellaneous	1,000	1,000	875
	<u>\$ 178,550</u>	<u>\$ 178,550</u>	<u>\$ 163,370</u>
Public Safety			
Fire Station Building			
Repairs - Station Equipment	\$ 2,500	\$ 2,500	\$ 1,016
Maintenance and Repairs	15,000	15,000	10,450
Materials and Supplies	5,000	5,000	4,352
Insurance	3,300	3,300	2,982
Utilities	16,000	16,000	9,739
Miscellaneous	100	100	240
Traffic Signal Pre-emption	7,500	7,500	1,663
	<u>\$ 49,400</u>	<u>\$ 49,400</u>	<u>\$ 30,442</u>
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Maintenance Apparatus	\$ 13,000	\$ 13,000	\$ 7,765
Maintenance Equipment	7,500	7,500	2,092
Supplies - Small Tools	12,000	12,000	10,962
Personnel - Protective Gear	10,000	10,000	10,257
Personnel - Uniforms	9,500	9,500	7,774
Gasoline and Diesel Fuel	10,000	10,000	14,387
Chiefs Assessment	5,200	5,200	5,060
Insurance - Vehicles	5,200	5,200	4,829
Insurance - Equipment	600	600	496
Miscellaneous	100	100	11
	<u>\$ 73,100</u>	<u>\$ 73,100</u>	<u>\$ 63,633</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - AMBULANCE SERVICE FUND
YEAR ENDED APRIL 30, 2007

EXPENDITURES DISBURSED (Continued)	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
Current (Continued)			
Public Safety (Continued)			
Fire Protection Service			
Chief Salary	\$ 23,400	\$ 23,400	\$ 28,802
Salaries - Full Time	1,160,000	1,160,000	1,147,294
Salaries - P.O.C.	132,000	132,000	104,014
Salaries - Overtime	60,000	60,000	92,537
Dispatcher - Alarm	40,000	40,000	43,410
Alarm Facilities	300	300	-
Communication Service	6,500	6,500	6,453
Insurance - Life	3,200	3,200	4,640
Insurance - Medical	180,000	180,000	203,495
Training Expenses	10,000	10,000	5,440
Miscellaneous	100	100	-
Employee Assessment	5,000	5,000	228
Physicals	9,500	9,500	11,539
	<u>\$ 1,630,000</u>	<u>\$ 1,630,000</u>	<u>\$ 1,647,852</u>
Provision for Contingencies	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 294</u>
Total Public Safety	<u>\$ 1,782,500</u>	<u>\$ 1,782,500</u>	<u>\$ 1,742,221</u>
Total Current	<u>\$ 1,961,050</u>	<u>\$ 1,961,050</u>	<u>\$ 1,905,591</u>
Capital Outlay			
General Government			
Office Equipment	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,595</u>
Public Safety			
Fire Station Building			
Station Equipment	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>\$ 208</u>
Capital Building Reserve	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ 208</u>
Fire Fighting, Emergency Rescue Apparatus, Equipment and Supplies			
Capital Equipment	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 10,488</u>
Capital Reserve	<u>40,000</u>	<u>40,000</u>	<u>878</u>
	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 11,366</u>
Fire Protection Service			
Radio Equipment	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 796</u>
Total Public Safety	<u>\$ 68,500</u>	<u>\$ 68,500</u>	<u>\$ 12,370</u>
Total Capital Outlay	<u>\$ 73,500</u>	<u>\$ 73,500</u>	<u>\$ 15,965</u>
TOTAL EXPENDITURES	<u>\$ 2,034,550</u>	<u>\$ 2,034,550</u>	<u>\$ 1,921,556</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AMBULANCE SERVICE FUND
 YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		
	ORIGINAL	FINAL	ACTUAL
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (125,740)	\$ (125,740)	\$ 59,295
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (125,740)	\$ (125,740)	\$ 59,295
FUND BALANCE - MAY 1, 2006	153,290	153,290	153,290
FUND BALANCE - APRIL 30, 2007	<u>\$ 27,550</u>	<u>\$ 27,550</u>	<u>\$ 212,585</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

APRIL 30, 2007

NOTE 1 - BUDGET

The budget for all governmental fund types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 70, Act 705/Article 16.14 of the Illinois Compiled Statutes. The budget was passed on July 26, 2006. Various line item transfers were authorized by the Board during the year and are reflected in the amended budget columns.

The fire chief submits an annual budget request to the trustees of the Fire Protection District prior to the end of the fiscal year or as may be requested by the trustees. The trustees shall provide adequate funding in the annual appropriation ordinance, which in all cases is higher than the budget, for the operation of the Fire Protection District.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

At April 30, 2007 the expenditures of the following funds exceeded the budget:

<u>FUND</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>EXCESS OF ACTUAL OVER BUDGET</u>
Liability Insurance	\$ 156,988	\$ 168,877	\$ 11,889

SUPPLEMENTAL FINANCIAL INFORMATION

GRAYSLAKE FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - AUDIT FUND
 YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Property Taxes	\$ 15,600	\$ 15,600	\$ 15,552
Earnings on Investments	-	-	2,116
	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>\$ 17,668</u>
EXPENDITURES			
Current			
General Government			
Audit	\$ 13,521	\$ 13,521	\$ 5,800
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 2,079	\$ 2,079	\$ 11,868
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ 2,079	\$ 2,079	\$ 11,868
FUND BALANCE - MAY 1, 2006	<u>17,233</u>	<u>17,233</u>	<u>17,233</u>
FUND BALANCE - APRIL 30, 2007	<u>\$ 19,312</u>	<u>\$ 19,312</u>	<u>\$ 29,101</u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - LIABILITY INSURANCE FUND
 YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Property Taxes	\$ 156,001	\$ 156,001	\$ 155,518
Earnings on Investments	-	-	1,635
	<u>\$ 156,001</u>	<u>\$ 156,001</u>	<u>\$ 157,153</u>
EXPENDITURES			
Current			
General Government			
Liability Insurance	\$ 15,699	\$ 15,699	\$ 16,888
Public Safety			
Liability Insurance	141,289	141,289	151,989
	<u>\$ 156,988</u>	<u>\$ 156,988</u>	<u>\$ 168,877</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (987)	\$ (987)	\$ (11,724)
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (987)	\$ (987)	\$ (11,724)
FUND BALANCE - MAY 1, 2006	<u>7,427</u>	<u>7,427</u>	<u>7,422</u>
FUND BALANCE - APRIL 30, 2007	<u><u>\$ 6,440</u></u>	<u><u>\$ 6,440</u></u>	<u><u>\$ (4,302)</u></u>

See Accompanying Independent Auditor's Report

GRAYSLAKE FIRE PROTECTION DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND - SOCIAL SECURITY FUND
 YEAR ENDED APRIL 30, 2007

	BUDGETED AMOUNTS		ACTUAL
	ORIGINAL	FINAL	
REVENUES			
Property Taxes	\$ 195,001	\$ 195,001	\$ 194,397
Earnings on Investments	-	-	4,698
	<u>\$ 195,001</u>	<u>\$ 195,001</u>	<u>\$ 199,095</u>
EXPENDITURES			
Current			
General Government			
Social Security	\$ 11,424	\$ 11,424	\$ 9,709
Public Safety			
Social Security	198,576	198,576	174,037
	<u>\$ 210,000</u>	<u>\$ 210,000</u>	<u>\$ 183,746</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (14,999)	\$ (14,999)	\$ 15,349
OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCE	\$ (14,999)	\$ (14,999)	\$ 15,349
FUND BALANCE - MAY 1, 2006	<u>23,350</u>	<u>23,350</u>	<u>23,350</u>
FUND BALANCE - APRIL 30, 2007	<u>\$ 8,351</u>	<u>\$ 8,351</u>	<u>\$ 38,699</u>

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